

REGULAR MEETING OF THE CITY COUNCIL
CITY OF CALEDONIA, MINNESOTA
Monday, September 14, 2015

CALL TO ORDER: Following due call and notice thereof, Mayor Gran called the meeting to order at 6:00 p.m. in the Council Room, City Hall.

ROLL CALL: Members present: Mayor Joshua Gran, Council Members: Bob Lemke, DeWayne Schroeder and Bob Burns. Absent: Member Paul Fisch. City Staff Present: City Clerk/Administrator Ted Schoonover, Administrative Coordinator Mike Gerardy, City Engineer Mike Davy, Shannon Sweeney, George Eilertson, Police Chief Kurt Zehnder, Police Sergeant Jim Stemper. Caledonia Argus reporter: Zach Olson.

AGENDA: Motion by Member Burns, second by Member Lemke to approve the agenda. All present voted in favor and the motion was declared carried.

CONSENT AGENDA APPROVAL: Motion by Member Lemke, second by Member Burns to approve the consent agenda, which consisted of the regular meeting minutes from the August 24, 2015 regular meeting. All members present voted in favor and the motion was declared carried.

VISITORS AND COMMUNICATIONS: None.

ADMINISTRATIVE COORDINATOR: City Engineer was present to discuss the bids received for the Kraus Pressure Sewer system that the council approved to proceed at its July 27, 2015 meeting. The bids received were higher than expected but through some negotiations Davy Engineering managed to get them within reason. The lowest bid from Winona Mechanical, Inc. came in at \$57,478.95 but that was without street restoration or paving. This would mean that Mr. Krause would pay for his section of the piping and pumping and would pay the city a hook fee of \$8,211.28. Any additional customers would also pay that amount. By completing this project the city advances its utilities to the Westside of Highway 44/76 and further enhances future grants and loans for infrastructure from the state of Minnesota. In accordance with Ordinance #53 Wiebke Tire would have one year to hook up for the same costs as Krause Oil. Mayor Gran again stated that he disagreed with the city's position of installing a sewer line for one person and making all the residents responsible for the bill. Engineer Davy responded that this is an investment into the future of Caledonia and shouldn't be looked at as project for just one person but a project for the betterment of the City of Caledonia. Motion by Member Schroeder, second by Member Lemke to approve the low bid of Winona Mechanical Inc. without street restoration in the amount of \$57,478.95. Roll call of votes. Yes: Members Schroeder, Lemke. No: Members Gran and Burns. Motion failed for a lack of a majority.

Engineer Davy then presented the City Council with a proposed Certification of Adoption of a Water Supply Plan. In accordance with Minnesota Statute the city needs to adopt this plan to become compliant. Thus far the city has a very good and established conservation plan, and this will only add to that current plan. He did mention that our unaccounted usage is above the recommended 10% but it is not excessive. Motion by Member Burns, second by Member Schroeder to approve the Water Supply Plan as presented. Discussion followed. Engineer Davy then stated that the city needed to review and update or increase its water and sewer rates in accordance with the rate increases he proposed several months ago, failure to do so will cause the city to fall behind and will eventually snow ball into a very large jump on increase to all rates that may be too much for the residents to sustain. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Member Schroeder to set a public hearing for September 28, 2015 at 6:15 for a 2'6" variance for 219-227 S. Decorah St. All members present voted in favor and the motion was declared carried.

CITY ACCOUNTANT:

Stephanie Mann was present and introduced Shannon Sweeny from David Drown Associates who was here to discuss TIF Districts. He stated that the City of Caledonia has a TIF that really needs to be de-certified. The project has been completed and paid off and all that remains is the residual payments. By putting it back on the tax rolls that city would recoup the same amount of revenue as they currently are and would avoid the risk of excessive administrative charges to continue with the TIF funding. Motion by Member Burns, second by Mayor Gran to Decertify TIF 1-1 Williams Hotel. All members present voted in favor and the motion was declared carried.

George Eilertson from Northland Securities Inc. was present to discuss options on bonding for the proposed swimming pool. A twenty year bond give the city much more flexibility in repayment. He also mentioned that during his conversations with Administrator Schoonover and Accountant Mann that there will be a \$60,000 bond payment that will be paid off in 2017. So if we could come up with some type of scenario where our first principle payment wasn't until 2018 we could then do a bond and not have to assess the taxpayers and leave the levy close to where it is currently. Worst case scenario would be that we would have to come up with a principle and interest payment for 2017 from some other source. The council then asked about the 15 year bond and asked if that was a

better way to proceed. Mr. Eilertson stated that is the city's decision but it would be a higher payment but it also gives you a lower interest payment. In addition he stated that he recommends the city request a bond rating call through Standard and Poors Inc and see what type of rating we can obtain, this too could reduce interest rates and lower the overall costs to borrow the funds. In an effort to proceed Mr. Eilertson stated he would ask that the city council make a motion to allow him to prepare the bond offering documents for a 15 year bond. This would allow him to proceed with the credit rating and to prepare the bond to be let. Motion by Mayor Gran, second by Member Burns to Authorize Northland Securities Inc, specifically George Eilertson to prepare the bond offering documents for a 15 year bond for the swimming pool project. All members present voted in favor and the motion was declared carried.

Accountant Mann presented the council with several scenarios for a proposed 2016 budget. She stated that we need to keep in mind that we are unsure of the pool costs and that her and Administrator Schoonover's recommendation is to propose a levy increase of 6.75% to ensure we can cover all expenses and the new pool bond. Mayor Gran was adamant that leave the levy at its current rate and if needed we would cut expenses in other areas. Again Mann stated that we can leave it at a zero increase but then we are forced to implement that amount on the final budget, its in the city's best interest to propose a higher levy than needed to ensure that we can operate effectively and that we can always lower it upon adoption but under no circumstances can we increase it from what we propose. She also reminded the council that this decision would need to be made on September 28, 2015. She then stated that the council needed to set the Truth in Taxation (TNT) meeting for the 2016 Annual Budget. Motion by Mayor Gran, second by Member Burns to set the Truth in Taxation (TNT) meeting for December 14, 2015 at 6:05 p.m. at City Hall in the City Council Chambers. All members present voted in favor and the motion was declared carried.

CITY CLERK/ADMINISTRATOR:

Police Chief Kurt Zehnder and Police Sergeant Jim Stemper was present to request that the city offer a fulltime officer position to Seth Louks effective September 28, 2015. He was interviewed by the personnel committee and was found to be the best applicant for this position. He is a native to Minnesota and has over 14 year's experience as an officer and an investigator. He would be a true asset to this community and department. Member Burns stated that the personnel committees recommendation to the council was to hire Seth Louks as a fulltime police officer. Motion by Member Lemke, second by Member Burns to hire Seth Louks as a fulltime police officer effective September 28, 2015. All members present voted in favor and the motion was declared carried.

Administrator Schoonover presented the council with quotes for the pathway lighting project for the poles, RLF cabinet and labor to install them in the amount of \$10,708.00. He also stated that this was not the entire project and that these items needed to be ordered in order to get them installed this year, the money has already been allocated and was part of the bond that we used to pay for the project. Mayor Gran felt that we didn't need lights and that we should hold off until the entire project could be quoted to see the overall costs. Consensus of the council was to table this until all the quotes were available to complete the project. No further action was taken.

Schoonover informed the council that a resident who had a water service line break was refusing to pay for the replacement of the asphalt paving in front of her residence. It was located at 119 W. South St. and was estimated to cost \$752.00. The councils consensus was to bill the home owner and if not payed to assess the charges to the property taxes as its policy is that the home owner is liable for all repairs from the water main to the residence and therefore she should be held accountable for the repairs. Schoonover stated he would bill her accordingly. No further action was taken.

Motion by Member Burns, second by Member Lemke to purchase 8 LED light bulbs for street lights to see how effective they are. All members present voted in favor and the motion was declared carried.

Schoonover stated that the personnel committee and City Electrician Matt Blocker interviewed applicants for the Journeyman Linemans position and were making the recommendation to hire Nathan Becker as the Journeyman Linemen starting at \$25.49 per hour. In addition the city would agree to allow Mr. Becker to continue with his apprenticeship program through Dairyland Power and pay him his hourly wage while attending his scheduled apprenticeship classes through 2016. Motion by Mayor Gran, second by Member Burns to hire Nathan Becker as presented in the offer of employment. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Member Lemke to approve the Memorandum of Agreement (MOA) between the City of Caledonia and the International Union of Operating Engineers Local 49 approving the wage grid for Journey Apprentice Lineman position. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Member Schroeder to approve the advance schedule of advertisements in the Argus for 2015-2016. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Mayor Gran to allow Sandy Jennings to retain a key for the Auditorium for the Mayville 4-H club members to meet monthly. The only exception is that whomever the leader is for that year would be required to come in and sign the agreement. All member present voted in favor and the motion was declared carried.

Schoonover informed the council that during the balloon rally in October a horse and buggy will transport guests to the old cemetary located behind the old creamery building and they will be holding a cemetary walk. He also stated that individuals will be available to attend to any debris left behind from the horses. No further action was taken.

Motion by Member Burns, second by Member Lemke to approve Liquor Store Manager Patty Gavin to the annual MMUA conference in Austin on October 22, 2015. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Mayor Gran to approve the claims as presented. All members present voted in favor and the motion was declared carried.

Motion by Member Burns, second by Member Lemke to approve the pre-paid claims as presented. All members present voted in favor and the motion was declared carried.

Motion by Mayor Gran, second by Member Lemke to approve the gambling permit for the Rod and Gun Club for an event on November 27, 2015 at Elsie's Bar and Grill. All members present voted in favor and the motion was declared carried.

Schoonover presented the employee overtime report and the police September shift report. No action taken.

The next regular meeting will be on Monday September 28, 2015, at 6:00 p.m.

ADJOURNMENT: There being no further business before the Council, A motion to adjourn was made by Member Schroeder second by Member Lemke. All voted in favor and the motion was declared carried to adjourn at 9:05 p.m.

Ted A. Schoonover
Clerk-Administrator

Joshua D. Gran
Mayor